



## Official Minutes from the June 16, 2020 MCC Advisory Council Meeting

Millennium Challenge Corporation  
 June 16, 2020  
 10:00am – 12:00pm

### Meeting Agenda

9:45am	Webex Conference Line Opens
10:00am – 10:15am	Call to Order and Roll Call <i>Alex Dixon, Practice Lead/Senior Director, Finance, Investment and Trade</i>
10:15am – 10:20am	Introduction and Overview of Meeting <i>MCC Advisory Council Co-Chair Nilmini Rubin</i>
10:20am – 10:45am	<p>Update from MCC Leadership</p> <ul style="list-style-type: none"> <li>◦ Recognition of MCC Advisory Council Members <i>Anthony Welcher, Vice President, Department of Compact Operations</i></li> <li>◦ CEO Initiatives <i>Sean Cairncross, Chief Executive Officer</i></li> </ul> <p><b>Moderated Discussion lead by Alex Dixon</b></p> <ul style="list-style-type: none"> <li>• COVID-19 Response <i>Lorrie Smith, Deputy Chief of Staff</i></li> <li>• Public Affairs Updates <i>Emily Davis, Vice President, Congressional Public Affairs</i></li> </ul>

10:45am – 11:00am	Updates from Blended Finance and Power Subcommittees <i>Nilmini Rubin, MCC Advisory Council Co-Chair</i> <i>Kate Steel, MCC Advisory Council Member</i> <i>Alex Dixon, Practice Lead/Senior Director, Finance Investment and Trade</i>
11:00am – 11:30am	Presentation <b>Innovation and Technology Facility Presentation</b>  <ul style="list-style-type: none"> <li>• <i>Albert Bossar, Director, Finance, Investment and Trade</i></li> <li>• <i>Jennifer Rimbach, Program Officer, Finance, Investment and Trade</i></li> </ul>
11:30am – 11:45am	Moderated Discussion lead by Alex Dixon and Beth Roberts
11:45am – 12:00pm	Concluding Remarks/Housekeeping  <ul style="list-style-type: none"> <li>• Administrative Next Steps</li> <li>• New Member Recruitment</li> <li>• Opportunity for Public Comment</li> </ul>
12:00pm	Meeting Adjourns

## Call to Order and Welcome – Introduction and Overview of the Meeting

Alex Dixon, Practice Lead/Senior Director of Finance, Investment and Trade opened the meeting with a greeting to the MCC Advisory Council members and thanked everyone for their attendance. MCC Advisory Council Co-Chair Nilmini Rubin shared that the group had interesting updates from the Blended Finance and Power Subcommittee meetings and expressed her excitement for the presentation on Innovation and Technology Program to be given in the meeting. She then handed the floor over to Anthony Welcher for updates from MCC Leadership.

## Update from MCC Leadership

### Anthony Welcher, Vice President, Department of Compact Operations

Anthony Welcher greeted the Advisory Council and took a few moments to recognize 10 MCC Advisory

Council members who have completed 4 years of service. The following members were acknowledged for their time, effort, and dedication to MCC's mission:

- Aaron Bielenberg
- Alex Sarac
- Aubrey Hruby
- Joe Dougherty
- Mima Nedelcovych
- Mini Roy
- Nilmini Rubin
- Patricia Sheikh
- Robert Dove
- Tim Docking

Anthony encouraged MCC's retiring Advisory Council members to continue spreading MCC's mission and shared his hopes that these individuals would remain engaged with MCC's staff moving forward. He then handed the floor to MCC CEO, Sean Cairncross for additional comments.

## Sean Cairncross, CEO

Sean expressed his appreciation on behalf of MCC's leadership team to all the Advisory Council members for their feedback and support. He addressed that, although the COVID-19 crisis has impacted MCC's operations, the work has continued. This includes the Finance, Investment and Trade team's efforts to move the blended finance strategy forward. Sean informed the Advisory Council that MCC is in the process of creating an American Catalyst Facility for Development, Millennium Impact for Infrastructure Accelerator (MIIA), and Innovation Technology Program (ITP) that would partner with the Small Business Administration (SBA) to bring U.S. technologies to MCC's partner countries.

Sean then opened the floor for questions and comments from the Advisory Council.

**Nilmini Rubin** asked whether Sean felt the COVID-19 pandemic would be shifting MCC's priorities and requested that Sean speak on the country's current racial reckoning with regards to how said changes would operate within MCC. **Sean** replied that, while he anticipated that the pandemic would leave a lasting impact across the board on MCC's partner countries, he is focused on ensuring that MCC remains the same data-driven agency that utilizes robust data to identify and address constraints to growth. He explained that the COVID-19 pandemic has had an impact on existing programs, affecting each country's phases differently.

With respect to the nation's protests in the wake of George Floyd's death, Sean commented that MCC is working closely with its Director of Diversity and Inclusion to immediately implement multiple programs designed to address systemic diversity and inclusion within MCC's organization. Sean expressed his belief that a diverse workforce makes for better decision making and stressed the level of priority MCC places on diversity and inclusion.

**Florie Liser** asked how the retiring and current Advisory Council members could continue to support MCC after their terms have ended. **Sean** replied that it is crucially important that members continue to spread the word about MCC's mission and opportunities, especially to U.S. companies and the private sector. He feels that the more people and businesses know about MCC's projects and their effects on the long-term environments in their countries, the more engagement MCC will have. Sean touched briefly on the newly launched U.S. procurement map, which labels state-by-state where funds for MCC's projects from contract winners are coming from. Sean expressed his hopes that this U.S. procurement map would build out further awareness for the Administration on the Hill, third-party investors, and Advisory Council members for further networking purposes to spread MCC's mission.

**Tim Docking** requested an update from Sean on how MCC's relationship with the US Development Finance Corporation (DFC) is evolving, and as MCC's relationship continues to evolve, what the Advisory Council could expect to see going forward regarding MCC's budget growth. **Sean** shared that MCC enjoys a positive relationship with the DFC, and that he is in frequent touch with the DFC CEO discuss new ideas, budget flows, and the alignment of the DFC's priority countries with MCC's portfolio. Sean also feels that MCC's interagency department deal teams have created an excellent environment to connect MCC and the DFC for future partnerships and further engagement with the private sector.

**Mima Nedelcovych** noted that the SBA is a big proponent of Africa and asked how MCC planned to work with the SBA/DFC on its projects in Africa. **Sean** responded that working with the SBA is a collaborative effort. MCC is looking to target investments and raise awareness to bring more partners to the team. Sean hopes that by partnering not only with the DFC and the SBA but with other U.S. government agencies and deal teams, the collaboration will provide a greater outreach. He feels that, if all groups that formerly operated in isolation were to unify utilizing their respective expertise, their mission may have a stronger impact. **Mima** replied that he was very excited with the progress the Embassy "deal teams" are making within the Prosper Africa Initiative.

**Aaron Bielenberg** requested an update on what Sean had been hearing from partner country's governments regarding any requests to address shortfalls and the expansion of government budgets for emergency purposes. He questioned if MCC would be shifting its priorities to meet those requests in the health sector. **Sean** responded, expressing his belief that it would be advantageous for MCC to stay out of providing immediate relief for its countries during the pandemic. He feels that the pandemic only underscores the need for the delivery of basic resources such as sanitation, health, and transportation—all which MCC's model provides on a timeline far longer than 6 months. MCC is working with the White House for global response to address these issues, but Sean stressed the importance of MCC remaining focused on its data-driven mission.

**Patricia Sheikh** inquired as to what MCC's strategy would be to avoid slippage in the progress it has already made in its compact countries because of the pandemic. **Sean** expressed that he anticipates MCC's country pool growing next year as more countries are expected to fall into lower middle income and lower income categories. However, Sean believes it is crucial for MCC to remain true to its data-driven model to avoid organizational slippage. Last, Sean informed the Advisory Council that he supports full funding for MCC, as this could serve as a tremendous example of the U.S. model of development assistance

working for others. However, Sean noted that this pandemic does highlight the importance of private sector investment, as further private investment could stabilize a functioning economy to help get the market up and running.

**Stephen Groff** asked how MCC intends to avoid a slippery slope if relying on State Department deal teams to identify projects. How can MCC resist a project identified by State as critical, but not necessarily one that is a priority for the country or that aligns with MCC's standards? How can MCC ensure cooperation without getting too closely tied to State priorities that may not be fully aligned with MCC's approach? **Sean** replied that MCC would not address requests for specific projects, but rather that it should be MCC's goal to educate folks on the agency and how it functions. Thus far, there has not been a push for a change in MCC's direction to target one sector versus another. Sean believes that MCC is making progress on utilizing its teams' unique models to analyze core constraints to further inform MCC investments. MCC is also utilizing deal teams and the private sector to develop projects wherein the DFC and private investors may be interested in partnering on the project to achieve its goals.

**Alex Dixon** thanked Sean for his time and requested that all follow up questions be submitted via email for response.

## **Lorrie Smith, Deputy Chief of Staff**

Lorrie Smith provided a brief update regarding MCC's COVID-19 response related to workforce and their environment. She explained that the health and safety of MCC's HQ and overseas staff will continue to be the top priority throughout its response. MCC continues to follow the suggested guidelines from the White House, OMB, OPM, and its affiliated agencies to determine when and how to resume normal operations. On June 8<sup>th</sup> MCC entered into phase 1, several days after DC gating criteria was met. MCC will continue a gradual phased-in approach for reentry into the headquarters building.

MCC also is currently allowing an opt-in to return to the office and will continue to provide flexibility for dependent care issues, providing resources for maintaining balance between personal and professional life. Overseas staff have been advised to telework in accordance with their respective governments. Flexibility was offered by the CARES Act, which raised the funding cap from \$105 to \$107 million to cover expenses incurred by the pandemic, along with an additional \$2 million in flexibility to assist agencies in evacuation costs for overseas personnel and family.

MCC's program timelines will be affected as the situation continues to evolve; the team is offering its response in real time with mitigations for safeguard investments. Currently, implementation countries are experiencing a greater risk for MCC's five-year fixed timeline. As mentioned by Sean Cairncross, impact delays are especially acute in compacts nearing close out, such as El Salvador (ending in September 2020) and Liberia (ending in January 2021). MCC is tracking new legislative action that would allow changes in the weeks to come to provide extended dates for delayed compact programs affected by COVID-19. MCC does not intend to provide immediate funds for relief but has worked within its model to promote a condition for sustained economic growth after the crisis subsides. In the weeks and months ahead MCC intends to deliver on its mission while prioritizing the safety of its staff and will continue to implement a

gradual phased-in approach until normal operations resume.

## **Emily Davis, Vice President, Congressional Public Affairs**

Emily Davis provided a brief update from MCC leadership with regards to its public affairs priorities.

Emily explained that, prior to the COVID crisis, MCC's PR year was off to a roaring start in 2020, with engagements on the Hill, press engagements, external engagements, and travel. Since the pandemic, MCC has been recalibrating its focus while working with external-facing departments. During this season, MCC hopes to receive a one-year extension to its compact programs as per the legislations 4<sup>th</sup> supplemental appropriation bill and the HEROES Act recently passed from the House of Representatives to the Senate. Emily also informed the group that she and her team have been very engaged in administrative funding for FY2021, which has been capped for the last nine years of MCC's 16-year agency existence.

Emily also provided an update on communications and external affairs, stating that MCC has updated its website to provide updates on COVID-related healthcare and infrastructure. This update highlights how MCC directly and indirectly will be supporting a healthcare delivery system and be monitoring the outcomes of partner countries. MCC's PR team will be increasing its focus on social media and online communications via providing beneficiary storytelling and program updates as they become available.

Additionally, MCC transitioned to virtual events with Concordia to cover water, sanitation, healthcare, foreign policy, and infrastructure topics, and hopes to focus on women's economic empowerment. Emily expressed the strategic importance in discussing women's economic empowerment and MCC's role in gender development along with blended finance. MCC's current approach is being finalized for a public roll-out stage to convene stakeholders around its model. MCC hopes to push this message to all front leverage supporters and advocate engagement with its audiences. Last, Emily thanked the Advisory Council for its outreach made thus far to share MCC's mission and encouraged the Advisory Council to continue discussing MCC with their contacts and audiences, along with utilizing social media to amplify MCC's message.

## **Updates from Blended Finance and Power Subcommittees**

Kate Steel and Alex Dixon read meeting summaries from the Blended Finance and Power Subcommittee meetings held on April 1<sup>st</sup>. Kate reported that MCC's meeting surrounded the pandemic's disruption of global supply chains, particularly in countries like China, a large producer of renewable energy (solar panels), and Saudi Arabia, a prevalent supplier of oil. The subcommittee concluded that the supply chain disruptions would not significantly impact countries, and that renewable energy would prove itself resilient against said supply chain disruptions. The Power Subcommittee also discussed MCC's engagement on energy sector reforms discussions highlighted that the private sector wanted to see the consistency of the regulatory framework and predictability of responses from its government agencies, particularly as reform can take such a long time to crystalize into useful results. The Advisory Council suggested receiving input from companies who developed projects in similar markets and suggested to

link energy sector carve-outs to the investment side of MCC's business.

Alex Dixon reported that the Blended Finance Subcommittee meeting provided updates on MCC's blended finance initiatives on 4 projects: The Lesotho Impact Facility, the Africa Trade and Insurance Agency component (under the Burkina Faso compact), the DFC-MCC Blended Finance Facility, and the Kosovo Credit Guarantee Facility. Furthermore, MCC discussed the Millennium Impact for Infrastructure Accelerator Program currently in development. The goal of MIIA is to catalyze the growth of impact investors into the infrastructure sector with the goal of creating an independent entity focused on impact infrastructure projects. The discussions surrounded how MIIA could identify large- and small-scale infrastructure projects that would create a large social impact and how to ensure an impact that could be measured as socially quantifiable for Environmental, Social, and Governance (ESG) money allocated by institutional investors. It was highlighted that MCC's unique data-driven, analytical model would prove beneficial for MIIA's success. Alex informed the Advisory Council that MCC is currently in discussion with the DFC and Africa50 to partner on this program and will continue developing a plan to present to potential investors with the feedback of other members to formulate the best development strategy. Moving forward, MCC hopes to follow through on new initiatives regarding the MIIA program, a potential blended finance collaboration between the DFC and MCC, and updates in the innovation and technology field.

## **Innovation and Technology Facility Presentation**

*Albert Bossar, Director, Finance, Investment and Trade*

*Jennifer Rimbach, Program Officer, Finance, Investment and Trade*

The Finance, Investment and Trade teams' presentation introduced the Innovation and Technology Program (ITP), which hopes to strengthen programs in partnership with the SBA and other federal agencies. The ITP would leverage MCC's experience and global role to create innovation platforms, promote U.S. best practices, innovations, and technological developments, and provide early stage grant funding to ventures that wish to adapt proven innovations and business models with the potential to reduce poverty. This program would utilize the power of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) to drive sustainability from entrepreneurs and enterprises for economic growth and development, as well as make MCC a conduit for federally-funded U.S. innovations and technology partnerships. The presentation identified areas where the ITP could leverage ongoing MCC investments by matching areas of overlap between U.S. technology competence and top MCC investment areas, such as: water and sanitation, renewable energy, resiliency, infrastructure, environment, and agri-technology.

Bert highlighted the largest discussion point surrounding intellectual property. The key to the ITP's success would be outreach both to the innovator side and the emerging market side of the equation. How can MCC commercialize its U.S. partners' intellectual property while still protecting it? Furthermore, how can MCC implement the ITP program to bring technology into countries to create expansion for U.S. small businesses while getting the developmental compacts MCC wants within its program?

After the presentation, Bert opened the floor for discussion.

## Member Discussion

**Aubrey Hruby** began the discussion by asking for clarification as to whether or not the companies mentioned within the presentation were already doing anything in emerging markets, to which **Bert Bossar** responded that some companies did have involvement with emerging markets; however, most companies that MCC had reached out to at the beginning of their research were not interested in working with emerging markets, as they had enough funding in their U.S. base with no overhead for emerging market investment.

**Kate Steel** suggested that MCC take a case-by-case, high-level approach when analyzing IP concerns. She noted that some technology can be difficult to replicate in markets where there may be a risk for replication. Kate suggested that MCC utilize this case-by-case approach rather than an all-encompassing IP policy to open opportunities more quickly. Likewise, Kate recommended that MCC perform a deeper dive into regulatory support to analyze what restrictions may affect certain markets targeted by the ITP.

**Fred Sisson** commented that he believes MCC's partnership with the SBA is an outstanding idea with much potential. He suggested that MCC utilize the DFC in conjunction with the SBA to offer a transactional mechanism to find any existing bilateral agreements and create leverage for collateral when working with the SBA.

**Patricia Sheikh** asked how MCC identified the sectors listed within the presentation for development, noting that agriculture was not highlighted within Côte D'Ivoire's segment while it is the largest cocoa producer in the world. Currently, Côte D'Ivoire exports raw cocoa products and not processed products, which would help the country push forward in its development and economic efforts by producing value-added products. **Bert** replied that MCC's sector mapping identified countries based upon their current developments, constraints in the development processes, and nexus and technology points. He further explained that MCC's innovation team did high-level mapping based upon which countries already had technology in development that aligned with MCC's goals.

The discussion shifted to IP concerns. **David Spira** suggested that MCC not only look at partner countries who support innovation grants, but also to examine which countries have potential IP and patent protection laws and practices in place. **Bert** agreed with David's suggestions and highlighted two important tasks for MCC to accomplish: 1) Recognize MCC core investments on policy and institutional reforms and 2) Work alongside its countries regarding patent, trade, and international affairs laws. To do this, MCC has been discussing IP laws and dialogue with the patent and trade office to understand the rules for MCC's program to be incorporated into the compact program. **Aubrey Hruby**, however, shared her opinion that she believes there are other risks aside from IP to be mitigated when approaching U.S. companies to enter the emerging markets. She suggested that MCC avoid fixating on IP regimes and focus on other commercial aspects risks for smaller, high-tech companies. **Bert** acknowledged Aubrey's concerns and suggested that more core traditional technological assistance and grant funding could buy down some of MCC's risks. He expressed that MCC may be sweating IP concerns because the team would



need to do exploratory learning early on.

**Lawrence Jones** countered that he believes in the importance of strengthened institutional focus on IP. He noted that many economies with emerging technology innovations do not have property protection ingrained into their institution. He suggested that before MCC gets in too deep into the ITP program that MCC makes IP an important issue for countries to protect their own intellectual property. **Alex Dixon** replied and informed the council that MCC did reach out to the U.S. Patent and Trademark Office. He noted that most countries are affiliated with an IP organization and have IP offices set up that could encourage U.S. companies to partner with those countries. Alex also expressed the core issue may not necessarily be duplication, but rather the protection of the licensing of IP to ensure that property is respected and not stolen. He feels that MCC could play a unique role in creating a market for entrepreneurs on both sides with joint ventures and new companies raised.

**Lawrence** then asked about how MCC intends to avoid competition between small, innovative companies versus large companies. He commented that, in many cases, big companies themselves are struggling to have technology brought into emerging economies. Now, MCC is looking at having small U.S. companies competing with large companies. How will MCC avoid conflict between the SBA and larger companies entering emerging markets? **Jennifer Rimbach** replied that MCC sees the ITP as an opportunity to build a pipeline for U.S. small businesses and local firms overseas. MCC intends to use its firm experience and collateral to work with smaller companies. She noted that the SBIR and STTR programs often have lower collateral requirements when compared against SBA loan programs. **Bert Bossar** added that the program will represent a pie that gets divided in different ways based on the company profile and institution. Smaller startups or research institutions would be working with grant facilities and facility managers to pilot and work under the scale of the program, whereas larger-scale companies would be competing in direct awards to get access to the technology itself while working with development constraints. The FIT and country team would help the Embassy with the business development process on small and larger scale projects.

**Naabia Ofosu-Amaah** inquired as to what criteria MCC was looking for in its ITP partners. What technologies would MCC be targeting that might be promoting resilience regarding not only the climate, but also health shocks. Will MCC be considering COVID-19 in its timeline for the ITP moving forward? **Bert** replied though MCC has not mapped out any specific plans for environmental shocks, resiliency is a big challenge to incorporate, given MCC's five-year compact clock. He feels that the biggest challenge with the ITP program will be incorporating or de-risking implementation risks with that five-year compact clock. Likewise, Bert noted that MCC is in the process of drafting a partnership with the SBA that would ideally like to convene in the summer or fall for a joint technology panel. He noted that MCC would like to bring technology components together with the program managers at the SBA and National Science Foundation to identify countries that may have constraints on growth. Bert hopes that his team can identify technology designed for "x" and apply it to MCC's programs' "y" and utilize the joint technology panel to coat MCC's relationship with a membrane of understanding and get itself out there in terms of PR.

**Mima Nedelcovych** added that although IP protection is clearly a very important topic to discuss in the ITP program. He believes the biggest obstacle for smaller companies in this project will be the costs

associated with entering the market. **Guevera Yao** commented that he believes this topic overall is very timely when considering how the COVID-19 pandemic has affected lower income countries trying to adopt newer technologies and innovations. He informed the Advisory Council that he has been in discussions with Nigeria regarding IP and regarded the United States' support for Nigeria to strengthen its IP agency. Guevera suggested that a joint venture may be helpful for this sector.

**Bert Bossar** thanked everyone for their time and ended the discussion period.

## Concluding Remarks/Housekeeping

Beth Roberts updated the MCC Advisory Council about the new member recruitment procedures. Ten (10) members will be rolling off the Council as their terms have come to an end. MCC is currently in the process of renewing the charter and filing documents necessary according to the Federal Advisory Committee Act. In July MCC will be filing a new Federal Register Notice to renew the Advisory Council for another two-year term. There will be a formal call for a recruitment of new members, with a three-week period for applicants to apply and be reviewed. Beth estimates that new members will be announced in September and that the next MCC Advisory Council meeting will likely commence in October. Beth informed the Advisory Council that she will be sending out the note for the Federal Register Notice so that Advisory Council members may refer those within their networks that may be a good fit. Beth instructed that members should also share contact information for these individuals to ensure they receive a copy of the Federal Register Notice. She also informed the Advisory Council that members looking to continue their membership will need to reapply for a second term and that more details will be sent out shortly.

## Opportunity for Public Comment

There were no public comments.

## Meeting Adjourns

## MCC Advisory Council Members Present

- Aaron Bielenberg, McKinsey & Company
- Alex Sarac, Addleshaw Goddard LLP
- Aubrey Hruby, Africa Expert Network, Atlantic Council
- David Spira, Deloitte
- Florie Liser, Corporate Council on Africa
- Fred Sisson, Synnove Energy
- Guevera Yao, U.S. Chamber of Commerce
- Justin DeAngelis, Denham Capital
- Kate Steel, Nithio

- Lawrence Jones, Edison Electric Institute
- Maureen Harrington, Standard Bank
- Mima Nedelcovych, AfricaGlobal, Schaffer
- Naabia Ofosu-Amaah, The Nature Conservancy
- Nilmini Rubin, Tetra Tech
- Patricia Sheikh, Roots of Peace
- Stephen Groff, National Development Fund
- Tam Nguyen, Bechtel
- Tim Docking, Refugee Investment Network

## **External Participants Present**

- Andrea Lora
- Hoai Huynh
- Staci Flanagan

## **MCC Advisory Council Members Absent with Apologies**

- Craig Steffensen, Asian Development Bank (Retired)
- Daniel Runde, Center for Strategic and International Studies
- Hector Morales, Macquarie
- Joe Dougherty, Dalberg
- Mini Roy, Metis Markets
- Robert Dove, Darby Investment

## **MCC Staff Present in Meeting**

- Alex Dixon
- Alicia Robinson-Morgan
- Anthony Welcher
- Beth Roberts
- Brian Moy
- Deidra Fair James
- Emily Davis
- Jason Bauer
- Jeanne Hauch
- Jennifer Rimbach
- Jim Hallmark
- Jon Richart
- Kathy Farley
- Lorrie Smith
- Sean Cairncross
- Tom Kelly
- Zaidoon Khour

## Annex

The Annex information below contains MCC Advisor Council members' written responses to questions posed during the meeting:

### Response from Naabia Ofosu-Amaah, The Nature Conservancy

1. *If the technology achieves commercialization before the program ends, MCC envisions a Grants Manager to potentially match funds from external investors. Which impact investors should MCC consider in its outreach efforts to attract external capital?*

The Nature Conservancy's impact investing arm, NatureVest, supports a range of investment areas that may be of interest to MCC, including sustainable agriculture: <https://www.nature.org/en-us/about-us/who-we-are/how-we-work/finance-investing/naturevest/sustainable-agriculture-water/>

2. Other potential impact investors to consider could include:

- [ACTIS](#)
- [Calvert Impact Capital](#)
- [SEAF](#)
- [Rockefeller Foundation](#)
- Potentially other relevant partners to be found through the [GIIN](#)

3. *What are key criteria the Joint Technical Panel (JTP) and/or Grants Manager should consider in its due diligence of potential awardees?*

Key criteria from an agriculture perspective could include:

- a focus on technology that addresses climate vulnerability (drought resistant varieties, water efficient irrigation, etc.)
- opportunities to lower the cost of extension using digital tools (e.g., machine vision and spectral sensors for low-cost IPM and soil diagnostics).
- reducing post-harvest loss.

4. *Assuming successful implementation of a pilot program, what should MCC consider in growing and scaling the Innovation and Technology Facility?*

The Nature Conservancy recently published a report entitled "[Clean and Green Pathways for the Global Renewable Energy Buildout](#)". This report discusses the importance of siting on low impact locations to enable the scale up of renewable energy solutions.

### Response from Tam Nguyen, Bechtel

1. *What are key metrics MCC and SBA should consider in the monitoring and evaluation as well as impact of the Innovation and Technology Program?*

Some input-output metrics for consideration:

- committed to innovation
- ideas generated
- scaled and developed
- deployments to projects

\$70M committed to innovation, 3,500 ideas generated and 60 scaled and developed resulting in 250 project deployments. Our example below – slightly out of date.

## Response from David Spira, Deloitte

1. *If the technology achieves commercialization before the program ends, MCC envisions a Grants Manager to potentially match funds from external investors. Which impact investors should MCC consider in its outreach efforts to attract external capital?*

Convergence, Accion, EMPEA are all great ideas here. Our firm has strong connections at each and could potentially support in making introductions.

2. *How can MCC and SBA protect the intellectual property (IP) of American innovation and technologies?*

In addition to US trade export controls, MCC and SBA should consider country-specific IP and patent protection laws of the importing countries. The pre-funding qualification criteria should assess both the technology being exported from the US, as well as the market-specific legal, regulatory, and data risks inherent to the importing partner country. MCC and SBA should also establish a set of rules to disincentivize partner countries from violating agreed upon IP-sharing guidelines.

As it pertains to the above MCC has two levers:

- a. Provide materials and technical assistance that help small businesses navigate the IP laws in foreign jurisdictions
  - b. Condition compact funds on the local government honoring IP rights bestowed in the US
3. *What are key criteria the Joint Technical Panel (JTP) and/or Grants Manager should consider in its due diligence of potential awardees?*  
Ideally, potential awardees have operated in an international context before to minimize legal and regulatory risks. Prospective awardees should have a strong appreciation for import duties, schedule of tariffs, and ability to navigate the world trade system.
  4. *What are key metrics MCC and SBA should consider in the monitoring and evaluation as well as impact of the Innovation and Technology Facility?*
    - Newly identified business opportunities for the US small business
    - Increased sales of the US small business
    - IP-sharing violations of the US small business and importing partner country
    - Increased level of collaboration between US small businesses and partner countries
    - New metrics tied to the awardee's financial statements (balance sheet, income statement, and cash flows)
  5. *Assuming successful implementation of a pilot program, what should MCC consider in growing and scaling the Innovation and Technology Facility?*
    - MCC should consider whether it should continue to grow a footprint within the pilot partner countries before expanding to additional countries. The pilot will shed light on the complexities and considerations within those target countries, and it may be favorable to continue piloting within a known set of constraints prior to expanding to new countries with unknown legal, regulatory, and other market risks.
    - This is an ideal opportunity for MCC to plug awardees into the network of US-delivered or

US-based development finance, and export credit opportunities (e.g., building networks with USIDFC and Ex-Im)

## Response from Tim Docking, Refugee Investment Network

*If the technology achieves commercialization before the program ends, MCC envisions a Grants Manager to potentially match funds from external investors. Which impact investors should MCC consider in its outreach efforts to attract external capital?*

You probably already thought of Carolyn Campbell at ECP, however, she would be very well positioned to provide you with feedback and perhaps follow-on investment. We've recently been working with [NewDay Impact](#) and find them highly organized and perhaps up-and-coming. SEAF of course knows MCC and should be on the list; and then there is Capricorn, and [Blue Like an Orange](#) come to mind as some usual suspects. I don't know how Dafs / family funds would receive MCC but you might look at [ix](#)

*What are key criteria the Joint Technical Panel (JTP) and/or Grants Manager should consider in its due diligence of potential awardees?*

This could get long and I imagine you have a good idea what this may be already. Flexibility, however, will be important as each country will present very different opportunities and investment environments (one size will not fit all).

*What are key metrics MCC and SBA should consider in the monitoring and evaluation as well as impact of the Innovation and Technology Facility?*

The mobilization of US-based capital will be key.

*Assuming successful implementation of a pilot program, what should MCC consider in growing and scaling the Innovation and Technology Facility?*

Sustainability and impact.

## Response from Fred Sisson, Synnove Energy

1. *If the technology achieves commercialization before the program ends, MCC envisions a Grants Manager to potentially match funds from external investors. Which impact investors should MCC consider in its outreach efforts to attract external capital?*

Impact investor interest will most likely be matched to the geographic region and less linked to the technology being commercialized. It may be useful for MCC to tender interest from investors as part of the Compact set-up process.

2. *How can MCC and SBA protect the intellectual property (IP) of American innovation and technologies?*

Each business will need to evaluate their technology for the most appropriate ways of protecting IP. For example, software development will most likely occur in the US with access hosted from US servers, or protected from IP theft locally. As another example, hardware like machinery can be protected by having manufacturing housed in the US. Where local manufacturing is required, components containing IP can be imported to the host country from the US.

3. *What are key criteria the Joint Technical Panel (JTP) and/or Grants Manager should consider in its due diligence of potential awardees?*

Experience in the host nation or in other substantially similar emerging markets is critical.

Technical solutions that work in the US will most likely not work in the same way in the local market. Also, technology is only a single component of success in emerging markets. A proven

ability to navigate political challenges and to form partnerships is equally critical.

4. *What are key metrics MCC and SBA should consider in the monitoring and evaluation as well as impact of the Innovation and Technology Facility?*

Any awardee should be able to demonstrate an ability to execute their business model on the ground in a sustainable / profitable way. US companies will always assume things move faster than they do in many emerging markets (Africa in particular). There should be a roadmap laid out by an awardee and an ability to recognize, communicate and compensate for delays. The roadmaps for each awardee will be different based on the technology, business plan and host nation.

5. *Assuming successful implementation of a pilot program, what should MCC consider in growing and scaling the Innovation and Technology Facility?*

The key to MCC's past success in various Compact nations is the intimacy of understanding MCC forms when it invests in a nation. The ITF should use this same formula. There has been discussion around a wider use of MCC funds in nations that are not under a Compact with MCC. This carries significant quality control risks. It also loses the benefit of the ecosystem of MCC's Compacts in a host nation. Currently, nations receiving MCC grant support have the broad familiarity from other US agencies in the nation who act as support for private sector participants. This support is important, especially for US SME's. Linked with this, I would also recommend that the commitment of ITF funds only exist during the timeframe of the Compact. In other words, scaling should be linked with MCC's Compact a